

VIRGINIA  
**Form 301**  
CORPORATION TAX

**ENTERPRISE ZONE CREDIT  
CORPORATION TAX**

Attach this form to your return

**20**

Qualification year

- |                                   |                                    |
|-----------------------------------|------------------------------------|
| <input type="checkbox"/> 1st year | <input type="checkbox"/> 6th year  |
| <input type="checkbox"/> 2nd year | <input type="checkbox"/> 7th year  |
| <input type="checkbox"/> 3rd year | <input type="checkbox"/> 8th year  |
| <input type="checkbox"/> 4th year | <input type="checkbox"/> 9th year  |
| <input type="checkbox"/> 5th year | <input type="checkbox"/> 10th year |

Name(s) as shown on return or form

FEIN

Zone Location Code

- |   |     |   |
|---|-----|---|
| (1) Taxable income subject to credit  | (1) |   |
| (2) Percentage of business done within the enterprise zone                        | (2) | % |
| (3) Income attributable to enterprise zone activity (line 1 multiplied by line 2) | (3) |   |
| (4) Tax attributable to enterprise zone activity (line 3 multiplied by 6%)        | (4) |   |

**FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995**

**General Tax Credit:**

- |  |     |   |
|--|-----|---|
| (5) Applicable percentage  | (5) | % |
| (6) General tax credit (line 4 multiplied by the percentage on line 5) | (6) |   |

**Unemployment Tax Credit:**

- |   |      |  |
|---|------|--|
| (7) Current year unemployment tax credit (see instructions)   | (7)  |  |
| (8) Carryover unemployment tax credit from prior years  | (8)  |  |
| (9) Total unemployment tax credit available this year (add line 7 and line 8)                       | (9)  |  |
| (10) Tax attributable to enterprise zone activity, less any general tax credit (line 4 less line 6) | (10) |  |
| (11) Credit allowed this year (lesser of line 9 or line 10)   | (11) |  |
| (12) Credit carryover to subsequent year (subtract line 11 from line 9)                             | (12) |  |

**FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995**

**General Tax Credit:**

- |   |      |  |
|---|------|--|
| (13) Applicable percentage (see instructions)                                 | (13) |  |
| (14) Available credit (line 4 multiplied by the percentage on line 13)        | (14) |  |
| (15) Credit authorized by the Department of Housing and Community Development | (15) |  |
| (16) General tax credit (enter the lesser of line 14 or line 15)              | (16) |  |

**Real Property Improvement Tax Credit:**

- |   |      |  |
|---|------|--|
| (17) Qualified zone improvements eligible for the credit                      | (17) |  |
| (18) Available credit (line 17 multiplied by 30%)                             | (18) |  |
| (19) Credit authorized by the Department of Housing and Community Development | (19) |  |
| (20) Lesser of line 18 or line 19   | (20) |  |
| (21) Credit utilized this year (see instructions)                             | (21) |  |
| (22) Amount of REFUNDABLE credit (subtract line 21 from line 20)              | (22) |  |

**Zone Investment Tax Credit:**

- |   |      |  |
|---|------|--|
| (23) Zone investment tax credit negotiated with the Department of Housing and Community Development | (23) |  |
| (24) Zone investment tax credit used in prior years   | (24) |  |
| (25) Total zone investment tax credit available this year (subtract line 24 from line 23)           | (25) |  |
| (26) Credit authorized by the Department of Housing and Community Development                       | (26) |  |
| (27) Lesser of line 25 or line 26   | (27) |  |
| (28) Credit utilized this year (see instructions)   | (28) |  |
| (29) Credit carryover to subsequent year (subtract line 28 from line 25)                            | (29) |  |

**Total Enterprise Zone Credit:**

- |   |      |  |
|---|------|--|
| (30) Enter the total of all applicable Enterprise Zone Credits for this year (add lines 6, 11, 16, 21 and 28) | (30) |  |
|---|------|--|

# FORM 301 INSTRUCTIONS — CORPORATION TAX

**GENERAL INFORMATION:** Enter the zone location code in the box located at the top of the form. This code number can be obtained from the Certificate of Qualification from the Department of Housing and Community Development.

The following rules apply when computing tax credits:

- Where a credit is limited to a percentage of the tax, the "tax" for this purpose shall be gross tax, less the telecommunications company credit.
- Other income tax credits should be claimed in the order in which they provide the maximum benefit, regardless of the order shown on the return.
- Claim only as much credit as can be used to offset tax liability (exception: refundable credit portion of the real property investment tax credit) and keep accurate records of the carryover available for each credit.

## LINE BY LINE INSTRUCTIONS:

- (1) Enter taxable income from line 7 or 8(a) of Form 500, as appropriate.
- (2) Enter the percentage of business done within the enterprise zone. Corporations having taxable income from business activity both inside and outside of an enterprise zone must allocate and apportion on Schedule A (Form 500) their taxable income attributable to the conduct of business according to Section 59.1-280(G), *Code of Virginia* (See also 13 *Virginia Administrative Code (VAC)* 5-111-50). Schedule A (Form 500) must be attached to Form 301. Partners and shareholders of S corporations should receive a Schedule A (Form 500) from the partnership or S corporation, completed for this purpose, and attach it to their Form 301.
- (3) Enter the amount from line 1 above if the qualified business firm operated solely within the enterprise zone. For a qualified business firm which operates both inside and outside of a zone, multiply the taxable income subject to credit (line 1) by the percentage of business done within the enterprise zone (line 2).
- (4) Multiply line 3 by 6% to determine the tax attributable to enterprise zone activity.

## FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995

### General Tax Credit:

- (5) Enter the applicable percentage corresponding to the qualification year as follows:

Operations prior to July 1, 1992

- |                           |                                      |
|---------------------------|--------------------------------------|
| (a) First tax year - 80%  | (c) Third tax year - 40%             |
| (b) Second tax year - 60% | (d) Fourth and fifth tax years - 20% |

Operations beginning on or after July 1, 1992

- |  |
|--|
| (a) First tax year - 80%                 |
| (b) Second through tenth tax years - 60% |

- (6) Multiply the amount on line 4 by the percentage on line 5. This is your current year general tax credit. Any unused tax credit in this category may not be applied to future tax years.

### Unemployment Tax Credit:

- (7) The unemployment tax credit amount is equal to the amount of state unemployment tax paid on employees within the enterprise zone multiplied by the applicable percentage. The percentages are as follows:

Operations prior to July 1, 1992

- |                           |                                      |
|---------------------------|--------------------------------------|
| (a) First tax year - 80%  | (c) Third tax year - 40%             |
| (b) Second tax year - 60% | (d) Fourth and fifth tax years - 20% |

Operations beginning on or after July 1, 1992

- |  |
|--|
| (a) First tax year - 80%                 |
| (b) Second through tenth tax years - 60% |

- (8) Enter the carryover amount from the prior year. Attach a computation of the carryover amount.
- (9) Add lines 7 and 8. This is the total unemployment tax credit available for the year.
- (10) Enter the remaining tax attributable to a zone activity less any general tax credit (line 4 less line 6).
- (11) Credit utilized this year: Enter the amount from line 9 or 10, whichever is less.
- (12) Credit carryover to subsequent year: Subtract the amount on line 11 from the amount on line 9.

## FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

### General Tax Credit:

- (13) Enter the percentage authorized by the Department of Housing and Community Development.
- (14) Multiply the amount from line 4 by the percentage on line 13.
- (15) Enter the amount of credit authorized by the Department of Housing and Community Development.
- (16) Enter the lesser of line 14 or line 15. This is your current year general tax credit. Any unused tax credit may not be applied to future tax years.

### Real Property Improvement Tax Credit:

- (17) Enter the amount of qualified zone improvements eligible for the credit. This amount is authorized by the Department of Housing and Community Development.
- (18) Multiply the amount from line 17 by 30% to determine the potential credit. The maximum credit amount cannot exceed \$125,000.
- (19) Enter the amount of real property improvement tax credit authorized by the Department of Housing and Community Development.
- (20) Enter the amount from line 18 or line 19, whichever is less.
- (21) Enter the amount of credit allowed this year: The amount entered on this line is the amount on line 20, but cannot exceed the corporation tax liability amount (Form 500, line 9) minus all priority credits taken on Form 500CR, (Part II and Parts IV-XXIII) and lines 6, 11, 16 and 28 from this form, as applicable.
- (22) Amount of REFUNDABLE real property improvement tax credit: Subtract the amount on line 21 from the amount on line 20. Enter the refund here and on Form 500CR, Part XXVI, line 101.

### Zone Investment Tax Credit:

- (23) Enter the amount of zone investment tax credit negotiated with the Department of Housing and Community Development.
- (24) Enter the total zone investment tax credit used in prior years.
- (25) Total zone investment tax credit: Subtract line 24 from line 23.
- (26) Enter the credit amount authorized by the Department of Housing and Community Development.
- (27) Enter the amount from line 25 or line 26, whichever is less.
- (28) Enter the amount of credit utilized this year: The amount entered on this line is the amount on line 27, but cannot exceed the corporation tax liability amount (Form 500, line 9) minus all priority credits taken on Form 500CR (Part II and Parts IV-XXIII) and lines 6, 11, and 16 from this form, as applicable.
- (29) Credit carryover to subsequent year: Subtract the amount on line 28 from the amount on line 25.
- (30) **Total Enterprise Zone Credit:** Enter the total of all applicable Enterprise Zone credits for this year from lines 6, 11, 16, 21 and 28. Enter the total here and on Form 500CR, Part III, line 7.

**NOTE:** When qualifying in more than one Enterprise Zone, complete a separate Form 301 for each zone. Add the totals from each Form 301 and enter the grand total on Form 500CR, Part III, line 7.

For additional information, call (804) 367-8031 or write the Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115. You can obtain most Virginia tax forms from the Department of Taxation's web site at [www.tax.state.va.us](http://www.tax.state.va.us).